

Message Text

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SUBJ: TIN COUNCIL MEETING: SUSPENSION OF BUFFER STOCK MANAGER

1. FULLY RELIABLE SOURCE HAS GIVEN USREP AT TIN CONFERENCE FOLLOWING ACCOUNT OF SPECIAL TIN COUNCIL MEETING MAY 23, WHICH DISCUSSED SUSPENSION OF (INDONESIAN) BUFFER STOCK MANAGER AND (BOLIVIAN) DEPUTY FOR ALLEGED IMPROPRIETIES. WITH TOTAL DISREGARD FOR EVIDENCE, BOLIVIAN AND INDONESIAN DELEGATIONS CHOSE TO DEFEND ACCUSED OFFICIALS AND ATTACKED ITC EXECUTIVE CHAIRMAN ALLEN (AUSTRLAIAN), THUS TURNING ITC MEETING, AND PROBABLY TIN CONFERENCE, INTO NORTH/SOUTH CONFRONTATION. END SUMMARY.

2. ACCORDING TO FULLY RELIABLE SOURCE, MAY 23 ITC COUNCIL MEETING BECAME SCENE OF ACRIMONIOUS CHARGES AND COUNTERCHARGES

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BETWEEN DEVELOPING COUNTRY PRODUCER GROUP AND DEVELOPED

COUNTRY CONSUMERS. ITC EXECUTIVE CHAIRMAN ALLEN (AUSTRIAN NATIONAL) PRESENTED EVIDENCE SHOWING THAT BUFFER STOCK MANAGER ADNAN (INDONESIAN) AND HIS DEPUTY BUENO (BOLIVIAN) HAD RECEIVED PAYMENTS FROM SWISS OFFICE OF AMALGAMATED METALS GROUP (AMG) TOTALLING NEARLY HALF MILLION DOLLARS. SWISS BRANCH OF BILLINGTON APPARENTLY ALSO INVOLVED, ALTHOUGH NOT YET CLEAR TO WHAT EXTENT. AMG (LONDON) REPORTEDLY NOTICED DROP IN RECEIPTS FROM SWISS OFFICE COINCIDING WITH EMPLOYMENT OF NEW AGENT (ZEIDLER). WHILE ZEIDLER WAS ON TRIP, THEY CALLED IN AUDITORS WHO UNCOVERED EVIDENCE OF PAYMENTS TO ADNAN AND BUENO WHICH, IT WAS LATER DISCOVERED, WERE NOT REFLECTED IN ITC RECEIPTS. AMG PRESENTED EVIDENCE TO UK FOREIGN OFFICE, WHICH CALLED IN ALLEN WHO, IN TURN NOTIFIED KEITH BUCK (CANADIAN), ITC VICE CHAIRMAN FOR CONSUMERS. FIRST ITC VICE CHAIRMAN MIRANDA (BOLIVIAN) WAS NOT IN LONDON AND COULD NOT BE NOTIFIED UNTIL LATER. ALLEN AND BUCK DECIDED EVIDENCE WAS STRONG ENOUGH TO SUSPEND ADNAN AND BUENO BEFORE ZEIDLER RETURNED AND LEARNED THAT HIS ACCOUNTS HAD BEEN AUDITED.

3. AT MAY 23 ITC MEETING BOLIVIANS AND INDONESIANS ACCUSED ALLEN OF HASTY ACTION ON BASIS OF THIN EVIDENCE AND OF WITHHOLDING INFORMATION AND EVIDENCE FROM PRODUCER REPRESENTATIVE. THEY REITERATED DEMAND ALREADY MADE IN ADMINISTRATIVE COMMITTEE FOR ESTABLISHMENT OF EXECUTIVE MANAGEMENT BOARD WHICH WOULD HAVE POWERS NOW EXERCISED BY EXECUTIVE CHAIRMAN (AND WOULD HAVE MAJORITY PRODUCER REPRESENTATION). THEY ALSO QUESTIONED PROPRIETY OF ENTRUSTING RUDOLPH WOLFF TRADING FIRM WITH OPERATION OF BUFFER STOCK AND POINTEDLY REFERRED TO CONNECTION WITH CANADIAN NORANDA FIRM.

4. PRODUCERS INSISTED ON ESTABLISHMENT OF SPECIAL INVESTIGATING COMMITTEE TO EXAMINE EVIDENCE AND DETERMINE WHETHER J ALLEN'S ACTION WAS JUSTIFIED. COMMITTEE WOULD INCLUDE ALL SEVEN PRODUCERS AND SEVEN CONSUMERS AND WAS TO MAKE REPORT TO ITC WITHIN 48 HOURS. THEY FINALLY AGREED TO INDEFINITE DEADLINE WHICH CONSUMERS HOPED WOULD SIDETRACK ISSUE UNTIL AFTER CONCLUSION OF LIMITED OFFICIAL USE

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TIN CONFERENCE. AUSTRALIAN DEL REPORTEDLY MADE NO DEFENSE OF ALLEN AND SEEMS MORE INTERESTED IN ALIGNING WITH LDC PRODUCERS. UK STRONGLY DEFENDED ALLEN.

5. CONSUMERS (ITC MEMBERS ONLY) CAUCUSED AFTER COUNCIL MEETING, BUT FRENCH STAYED AWAY. DUTCH DECLINED TO PARTICIPATE IN PROPOSED AD HOC INVESTIGATING COMMITTEE, CITING DIRECT ORDERS FROM THE HAGUE. ONLY VOLUNTEERS

WERE CANADIANS, UK, FRG, JAPAN AND POLAND. SOVIETS
SUGGESTED COMMITTEE FUNCTION WITH LESS THAN SEVE
CONSUMER MEMBERS. COUNCIL WILL MEET AGAIN JUNE 2 TO
CONFIRM AD HOC COMMITTEE.

6. SAME RELIABLE SOURCE BELIEVES THAT
IN VIEW OF STRONG BOLIVIAN AND INDONESIAN ATTACKS
AND LACK OF SUPPORT FROM AUSTRALIAN GOVT AND COUNCIL
AS A WHOLE, AS WELL AS PROPOSAL FOR NEW EXECUTIVE
MANAGEMENT COMMITTEE, ALLEN WILL RESIGN AS EXECUTIVE
CHAIRMAN. HE BELIEVES ALSO THAT GERMANS, WHO HAVE IN
ANY CASE BEEN RESTRICTED UNDER FOURTH AGREEMENT, WILL NOT
JOIN FIFTH AGREEMENT AND THAT THERE IS EVEN CHANCE THAT
ITC WILL FOLD.

7. USDEL LEARNED SUBSEQUENTLY THAT BOLIVIANS AND
INDONESIANS CONSIDER ALLEN SHOWED BAD JUDGMENT IN GIVING
PUBLICITY TO SUSPENSION ACTION, RATHER THAN GIVING
ADNAN AND BUENO OPPORTUNITY TO RESIGN AND DISAPPEAR
QUIETLY. DALE

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